

A DEMAND SPRING REPORT

State of Account-Based Marketing



**demand
spring**



State of Account-Based Marketing

Hello Revenue Marketers,

With customers demanding better experiences throughout their buying process, we decided it is high time to see how B2B organizations are delivering on the promise of experience, and what role Account-Based Marketing (ABM) is playing in their strategies. This report is our first on ABM— establishing a baseline for follow-up research, and offering strong insights for marketers just getting started with account-based execution.

We received 100 responses from B2B marketers across North America, from diverse industries. The research shows that two-thirds of our respondents have implemented ABM strategies as part of their marketing repertoire, but also shows signs that marketers are still trying to find the execution sweet spot.

Nearly half of marketers are either unsure about whether their ABM efforts are driving revenue, or are certain those efforts didn't produce results. The other half of marketers say that ABM generates more revenue than other marketing activities.

Since ABM is intended to be a coordinated effort by marketing and sales to engage strategic accounts, we wanted to understand how ABM has impacted sales and marketing alignment. A standout insight from this research shows that only 28% of marketers saw a significant improvement in sales and marketing alignment, with the vast majority of marketers seeing moderate or less than moderate improvement. This tells us that we have yet to crack the code on the type of alignment needed to achieve revenue-based outcomes.

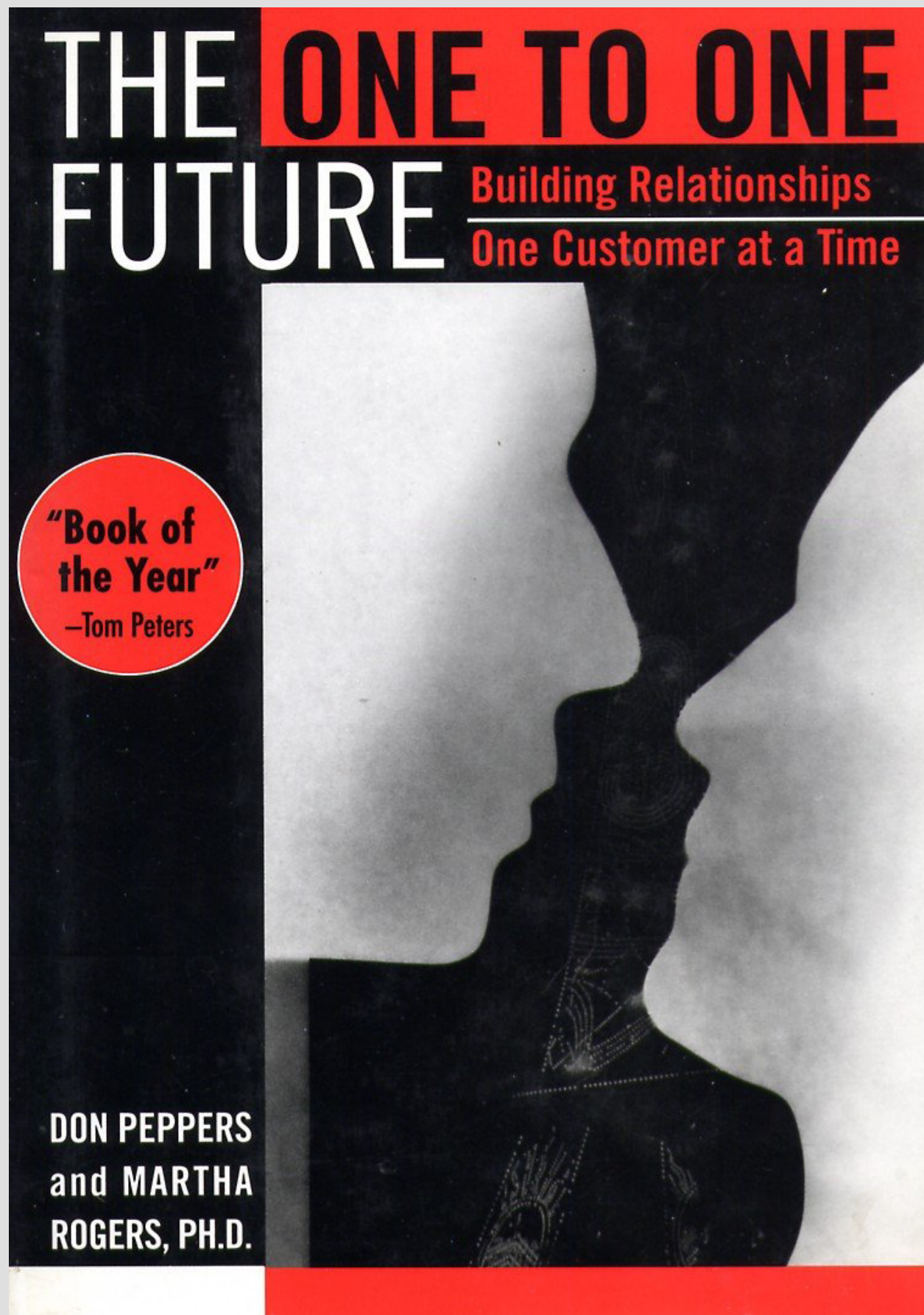
The right ABM execution can efficiently drive growth and revenue, but it isn't easy. Doing it right takes a lot of internal planning and collaboration. The information in this report will help prepare you – giving you insights into the challenges others have faced to help you navigate the complexity.

Warm regards,

Tracy Thayne

VICE PRESIDENT, STRATEGY CONSULTING
DEMAND SPRING





The History of ABM

The concept of ABM first emerged in the 1990s when Don Peppers and Martha Rogers published *The One to One Future*, and thus began the movement to a more personalized approach to marketing.

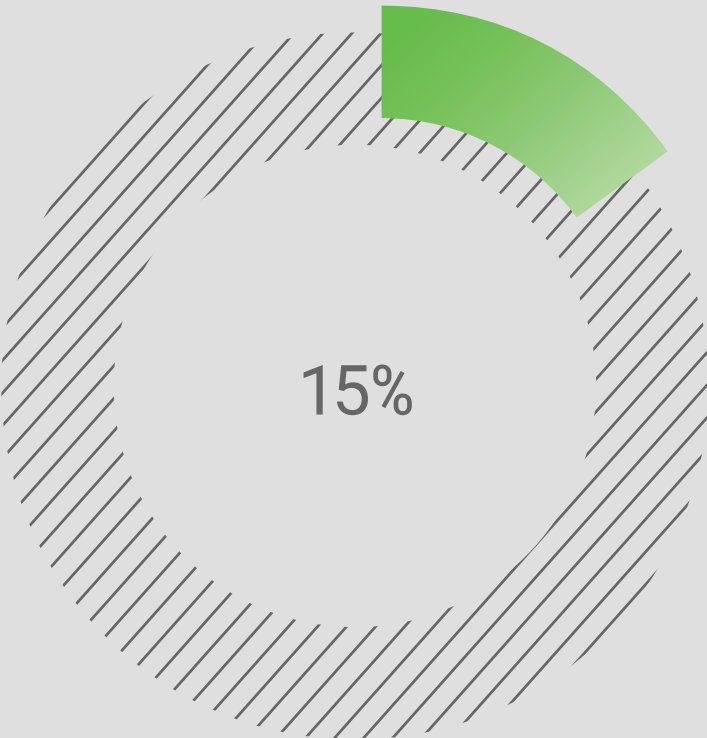
Ten years later, ITSMA named the **Account-Based Marketing** concept, and started to conduct research and develop training, bringing the strategy to the forefront of B2B marketing. Since then, B2B marketers have been increasingly practicing account-first marketing strategies, with ABM gaining momentum within the last decade.

Today, two-thirds of marketers (66%) are executing ABM, and over a quarter are planning to run ABM programs as part of their Marketing strategy next year.

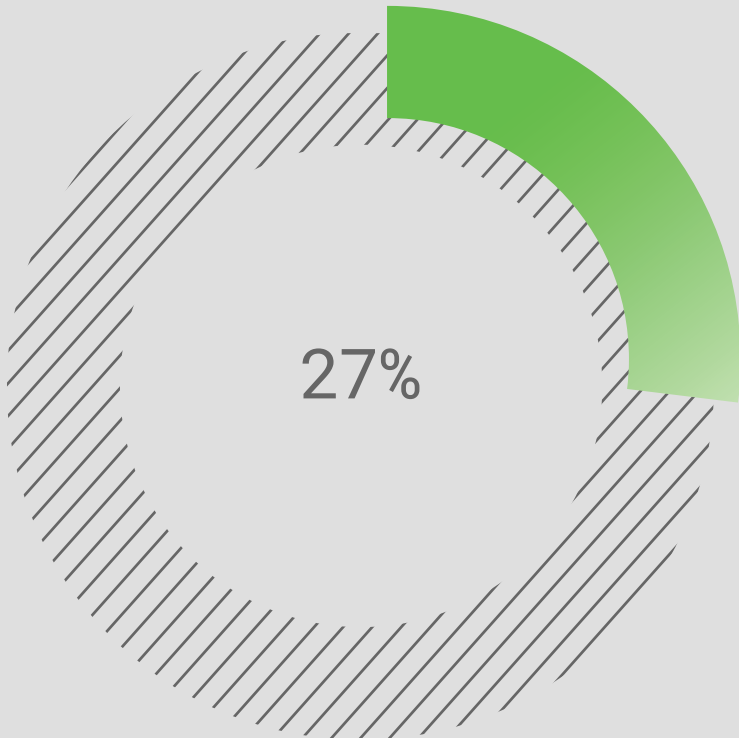
Although ABM is still relatively new for the majority of organizations and the success of it is still in its infancy stages, it's becoming clear that ABM is not a fleeting marketing fad.



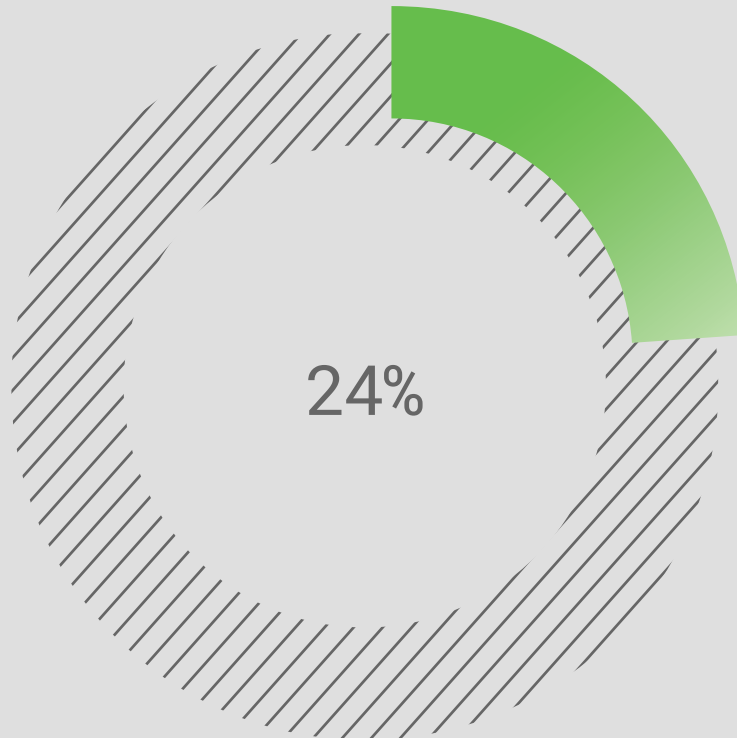
When did your organization first start implementing ABM strategies?



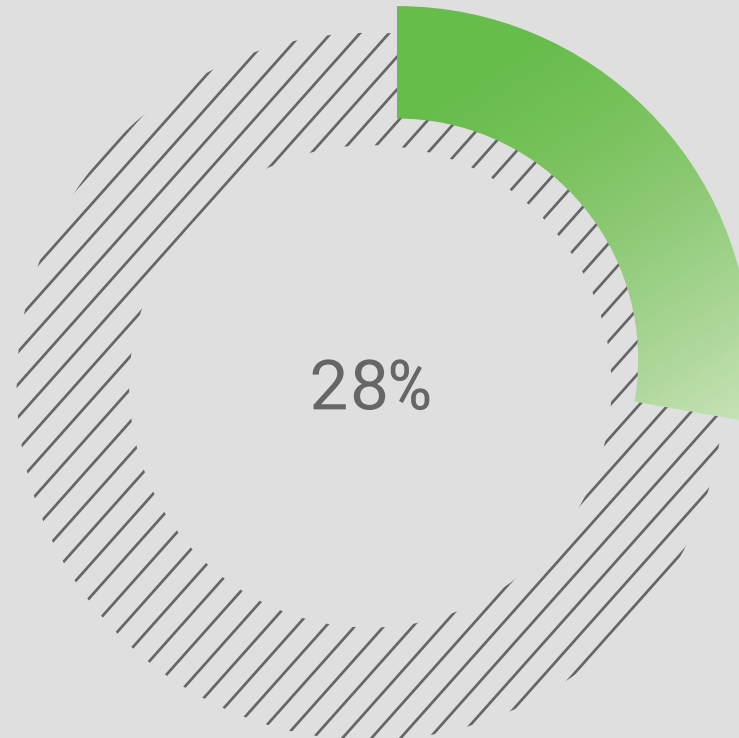
Less than
1 year ago



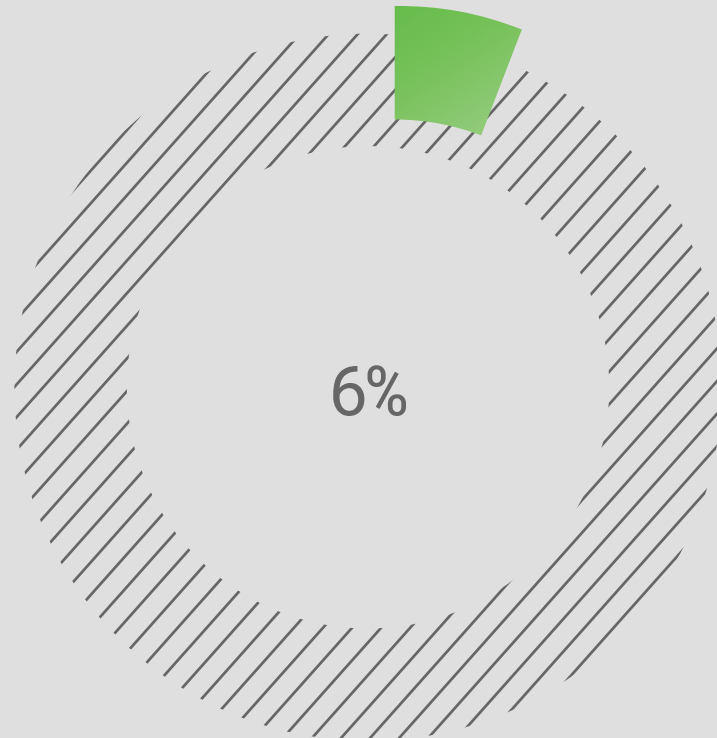
More than
2 years ago



Between
1-2 years ago



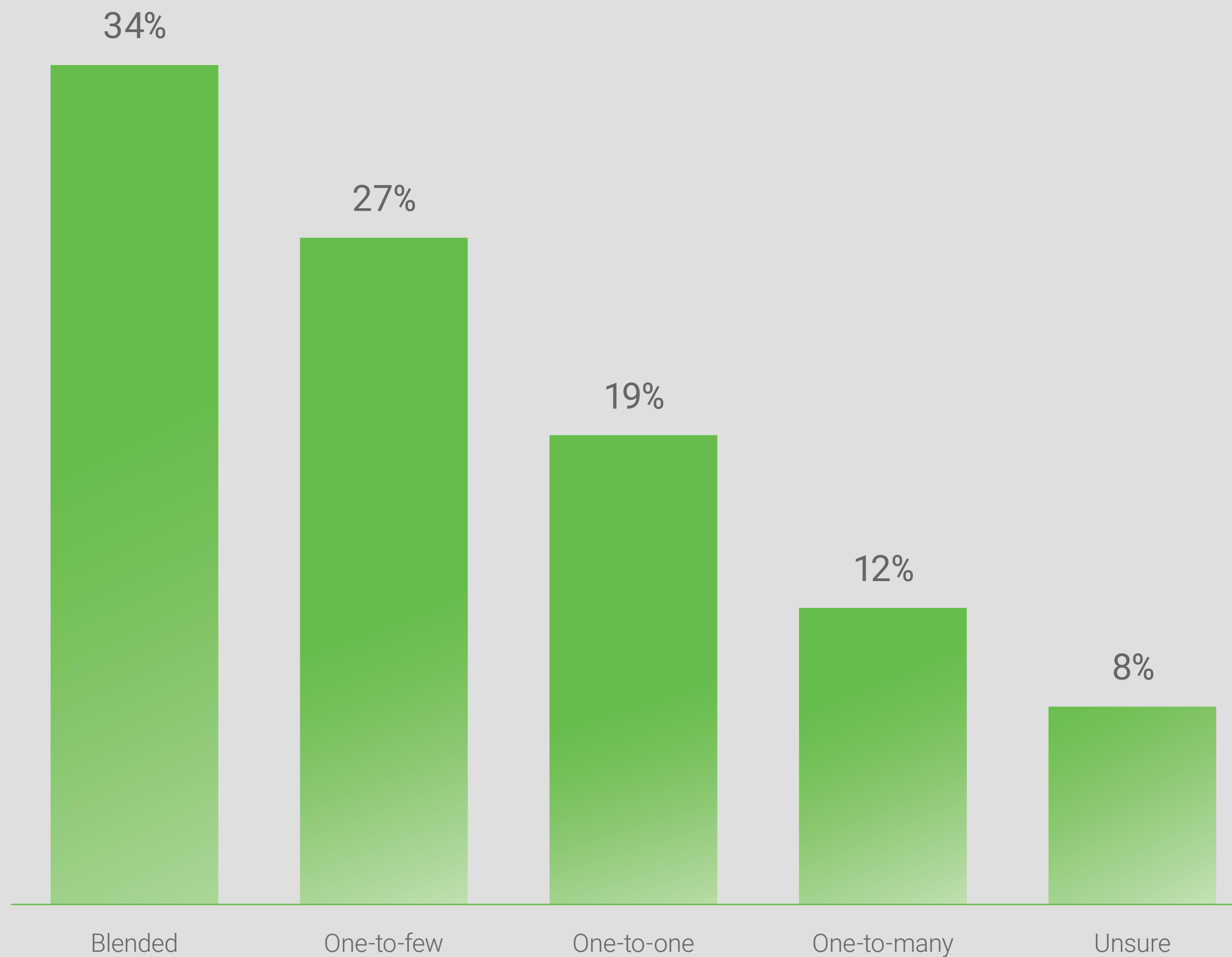
We **plan to start** using
ABM **within the next year**



We **do not currently have**
plans to start using ABM



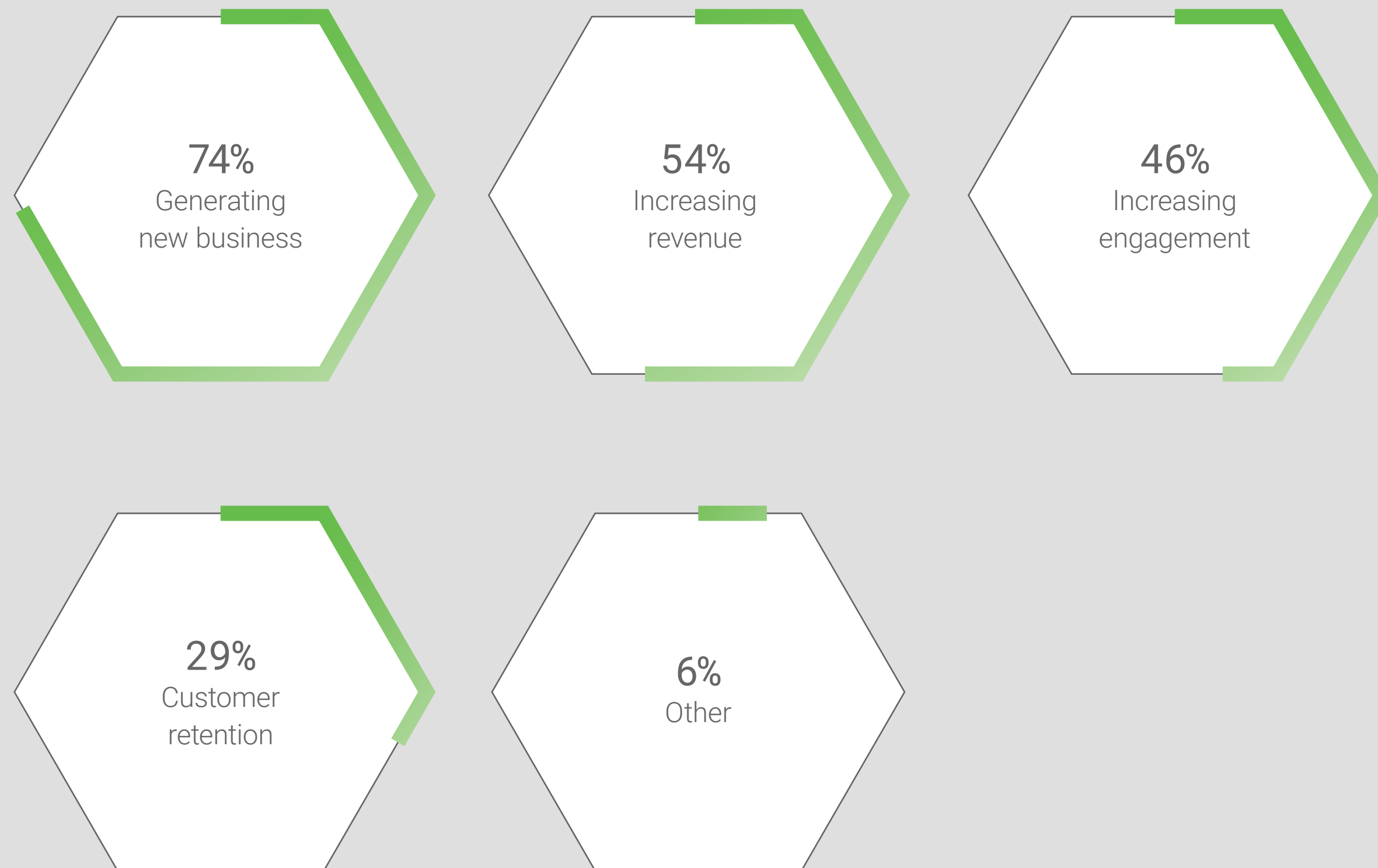
What is your organization's favored ABM approach?



A company's priorities and resources will dictate their approach to ABM. Over a third of marketers surveyed prefer a blended ABM approach, allowing them to benefit from a balance of breadth and depth. Very few companies can afford to do a true one-to-one ABM for all of their individual accounts.



What are your goals with your ABM strategy?



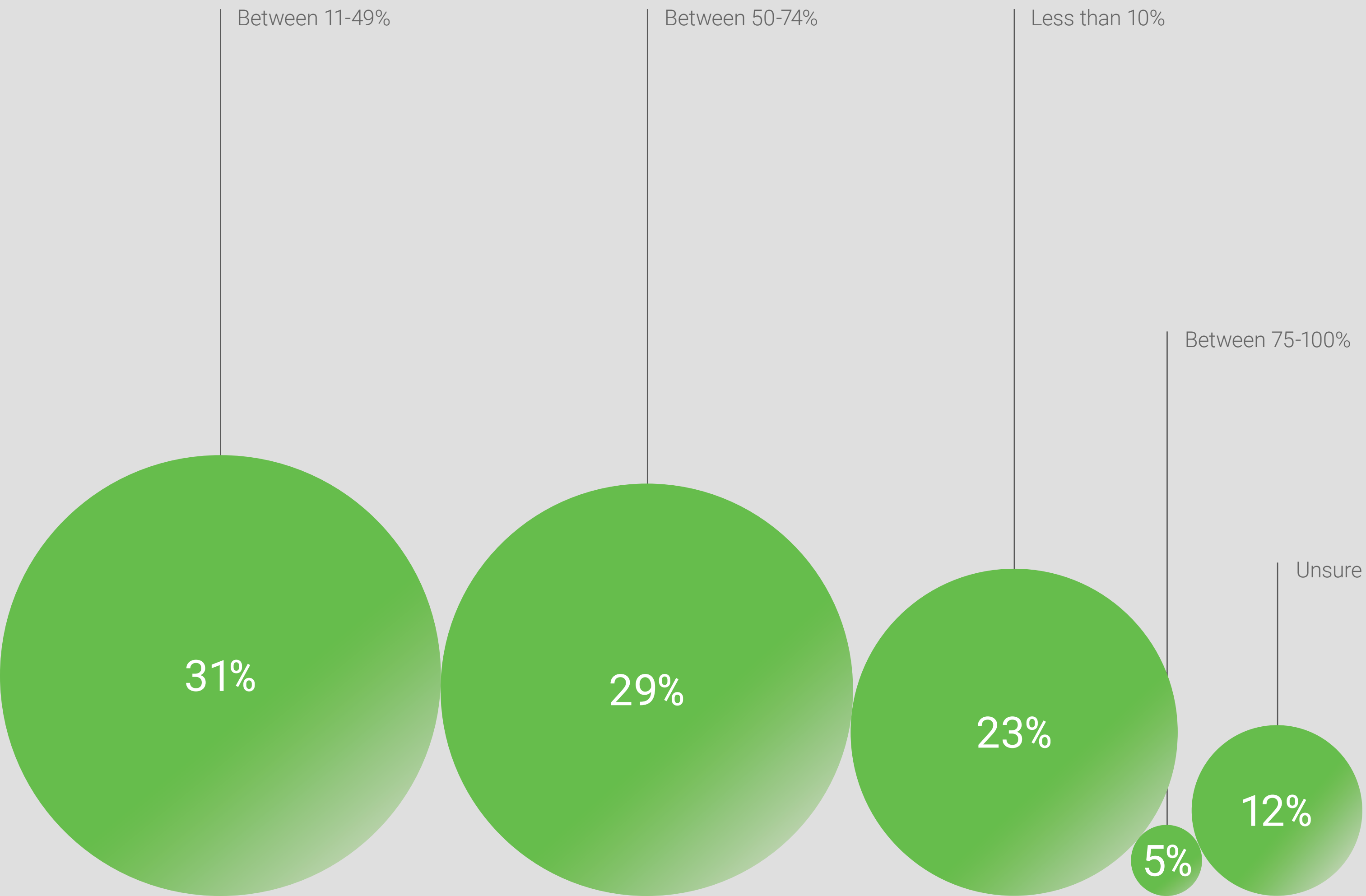
Marketers surveyed identified generating new business as their primary objective for ABM, followed by increasing revenue.

These two goals go hand-in-hand. Acquiring net-new customers is a costly endeavor, but necessary for healthy business growth. Aligning marketing and sales around a select number of new accounts with highly-targeted, personalized content as opposed to mass marketing, enables the two teams to work smarter and more cost effectively to win new business.

Similarly, with the high cost typically associated with winning new clients, marketers recognize the importance of retaining and growing existing accounts, and leverage ABM programs to achieve this goal.



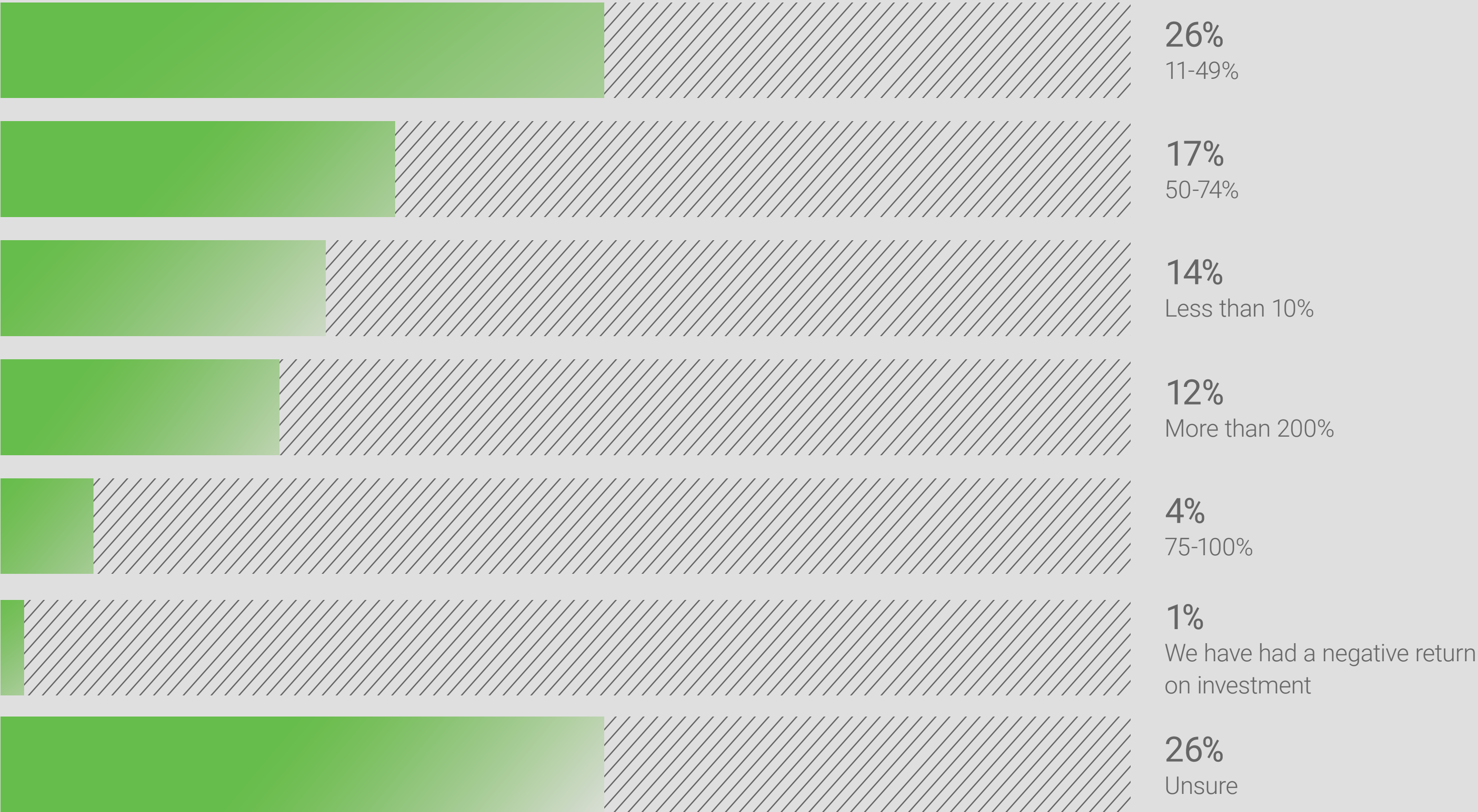
What percentage of your organization's marketing efforts use ABM?



The resources that a marketing team dedicates to ABM can vary significantly due to the variance in complexity of ABM programs. For example, a one-to-many campaign may require less content personalization — requiring less resources — than a one-to-one program, which could require all hands on deck.



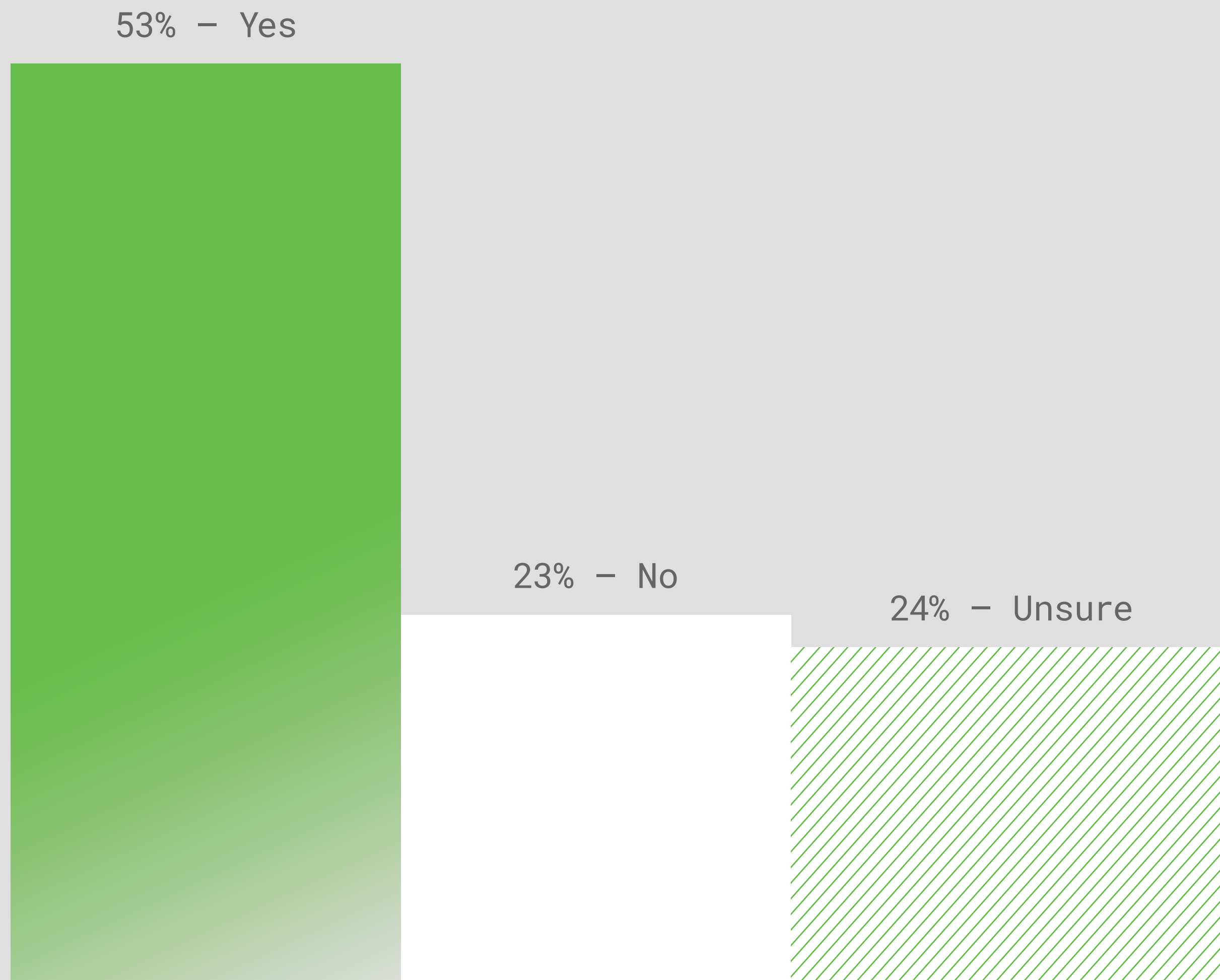
Please identify the ROI you have been able to attribute to ABM efforts:



A third of marketers have seen a return on investment greater than 50% through ABM, and an impressive 12% have seen a return greater than 200%. This proves that although ABM programs may require a heavier lift upfront, when designed and implemented properly, they can serve as a revenue engine.



Has ABM generated more revenue than other marketing efforts?

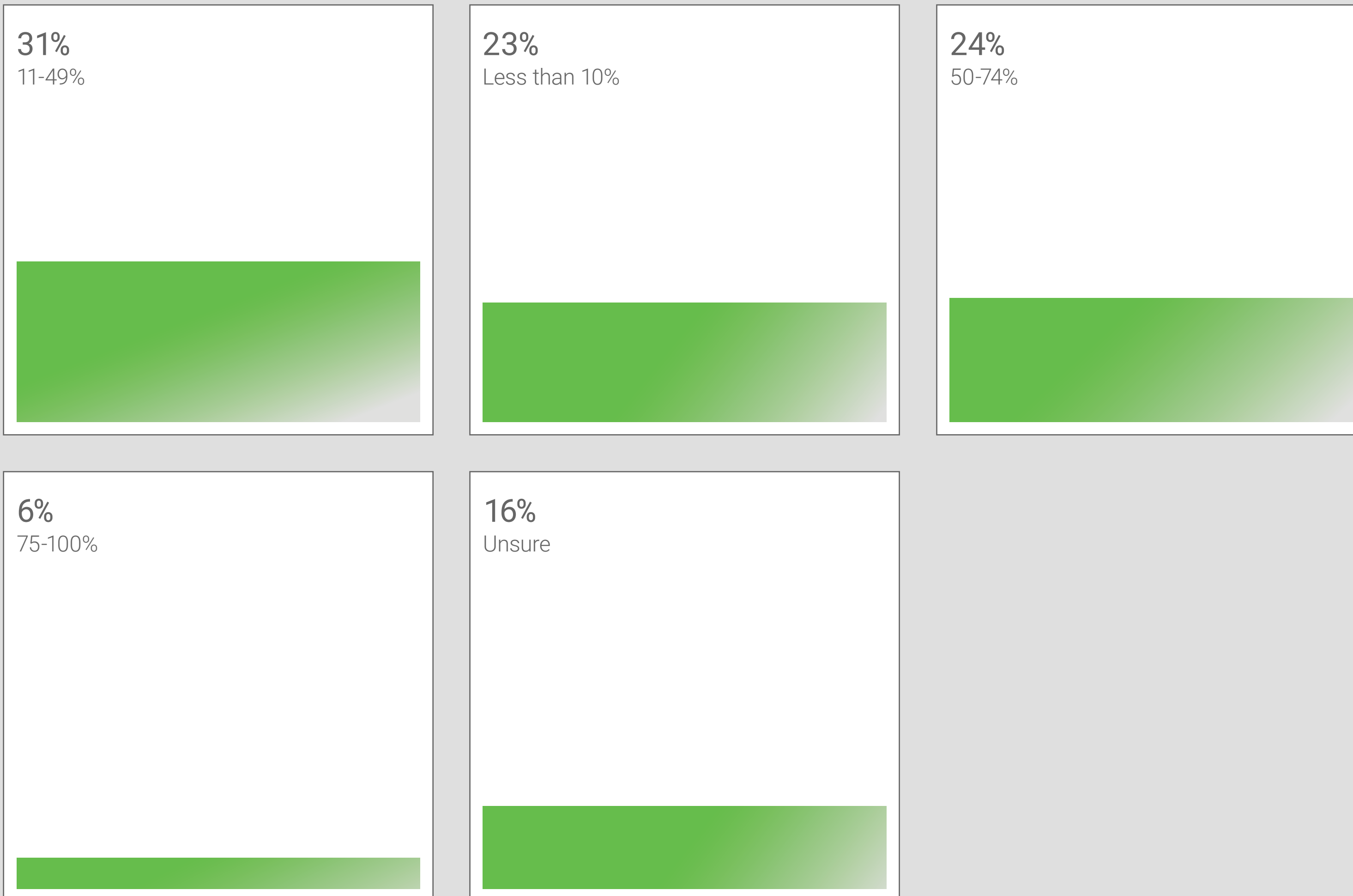


More than half of marketers surveyed reported that their ABM campaigns have generated more revenue than other marketing efforts.

However, seeing almost a quarter of marketers stating they are unsure whether their ABM efforts are performing better than other strategies is cause for concern. This could be the result of an inability to measure campaign attribution. Marketers unable to prove the effectiveness of their marketing efforts run the risk of losing their budgets for future programs, as well as their strategic posture within their organization as a revenue driver.



How much of your organization's marketing budget is allocated towards ABM efforts?

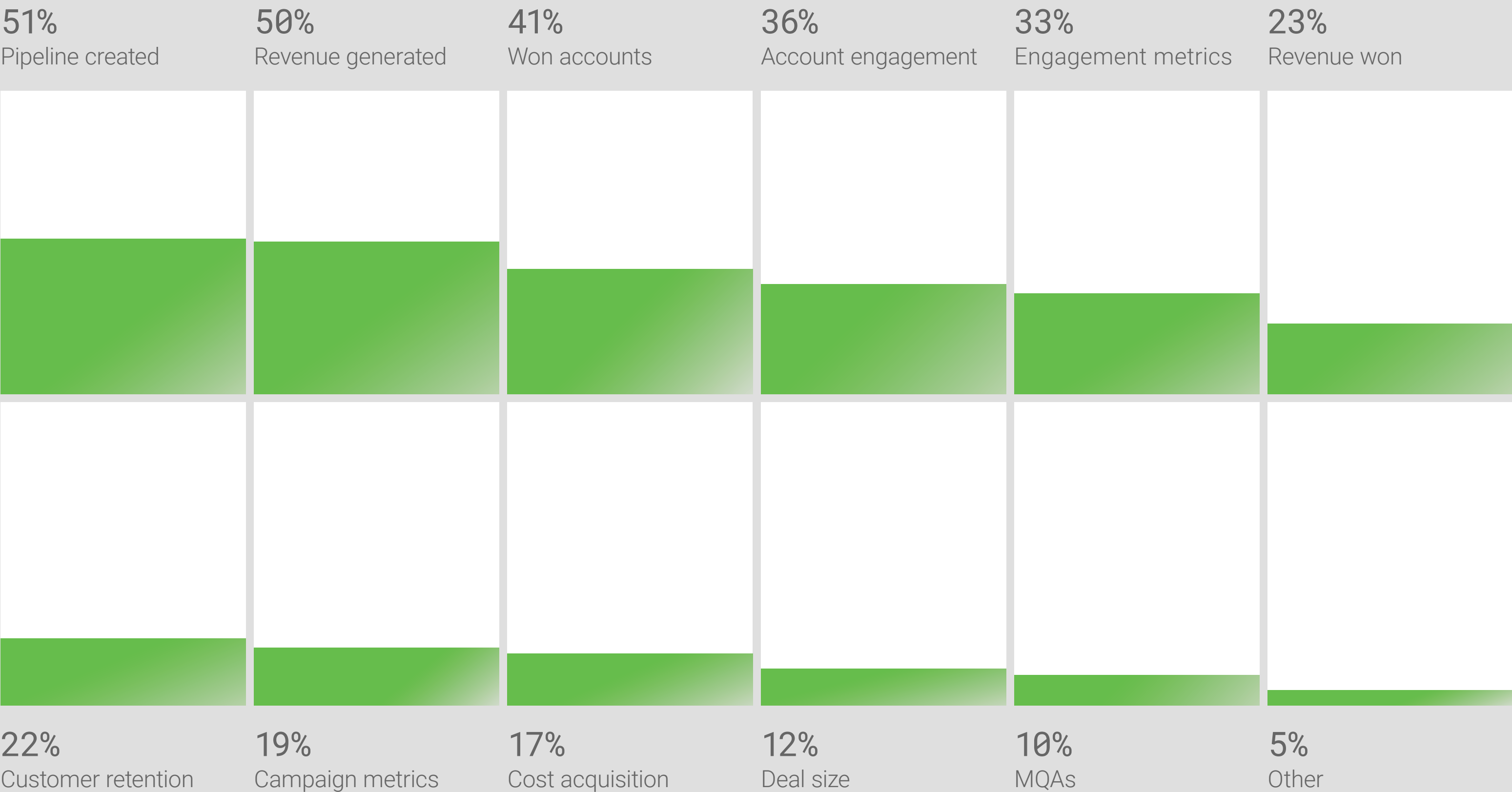


The budget allocation dedicated to ABM efforts varies amongst marketers. This can be due to differing approaches to ABM and program complexities. Fifty-four percent of marketers report that less than half of their marketing budget is allocated towards ABM efforts.



What metrics does your organization use to track ABM efforts?

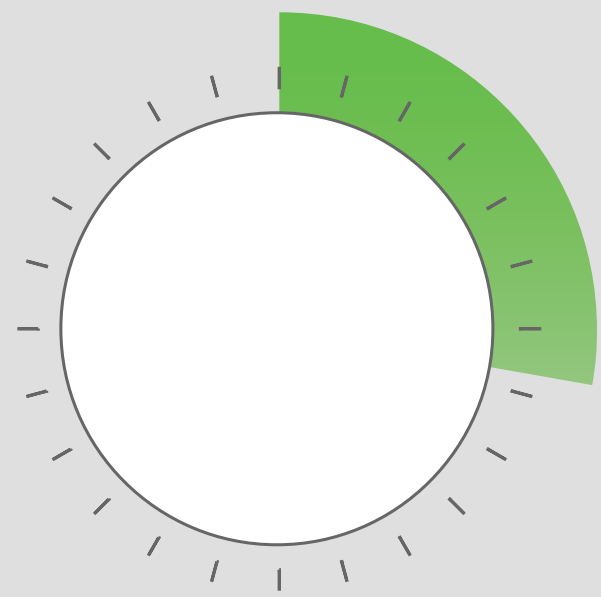
(Select top 3)



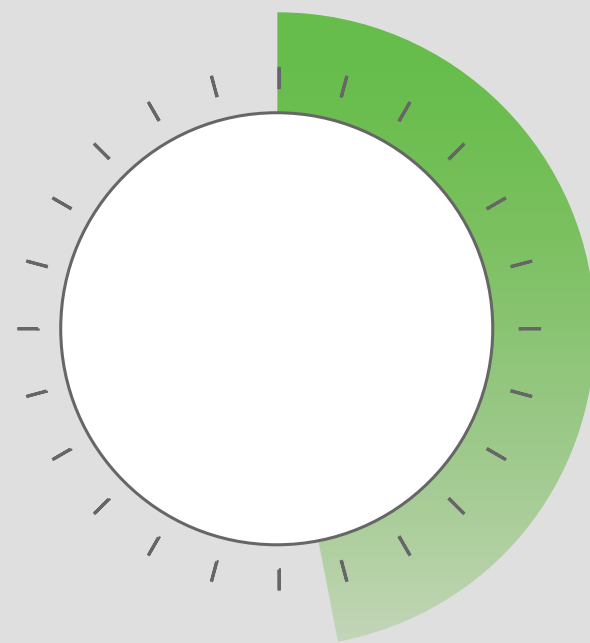
Pipeline created was the top metric tracked by survey respondents. This is surprising given the primary goal for ABM identified earlier in this survey was to generate new business. Pipeline created does not equate to new business. It is important for marketers to ensure they properly align their goals to appropriate metrics.



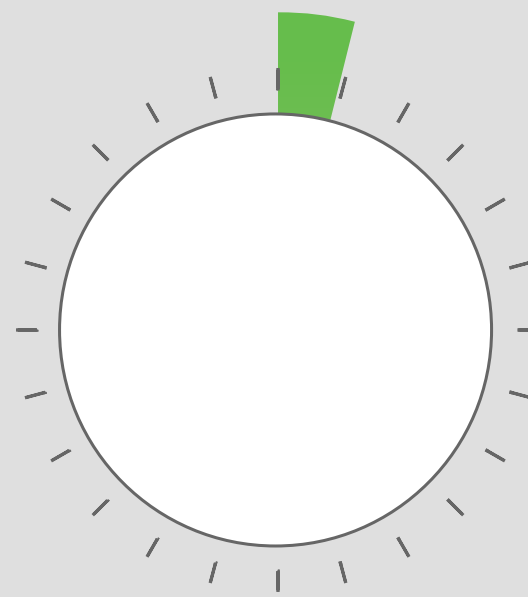
Since executing ABM, have you seen an increase in sales and marketing alignment?

**28%**

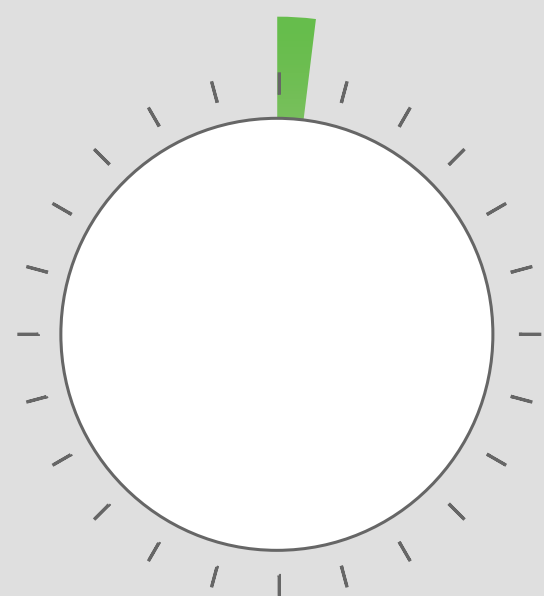
There has been a significant increase in sales and marketing alignment

**47%**

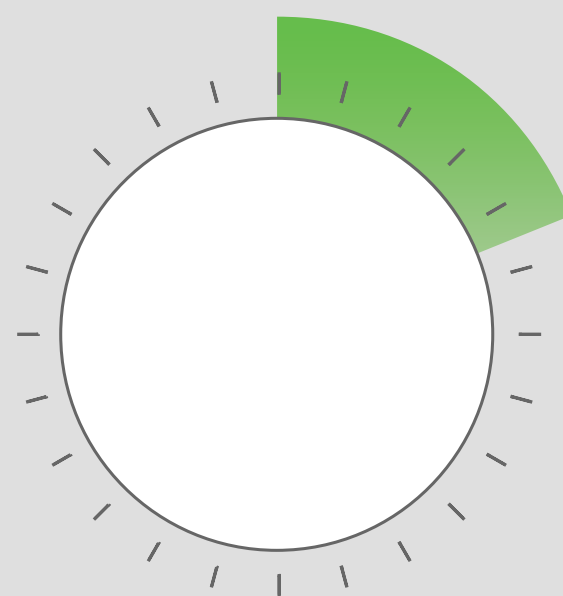
There has been a moderate increase in sales and marketing alignment

**4%**

There has been no increase in sales and marketing alignment

**2%**

There has been a decrease in sales and marketing alignment

**19%**

Unsure

The majority of marketers surveyed stated they have seen a moderate increase in sales and marketing alignment since executing ABM. Given the historical friction between sales and marketing teams, any engagement, as minimal as it may be, may be perceived as an improvement in alignment between these two teams. We would like to see a significant increase in sales and marketing alignment in future surveys. If marketing and sales are not united in their ABM efforts, these initiatives will not yield revenue-based outcomes.

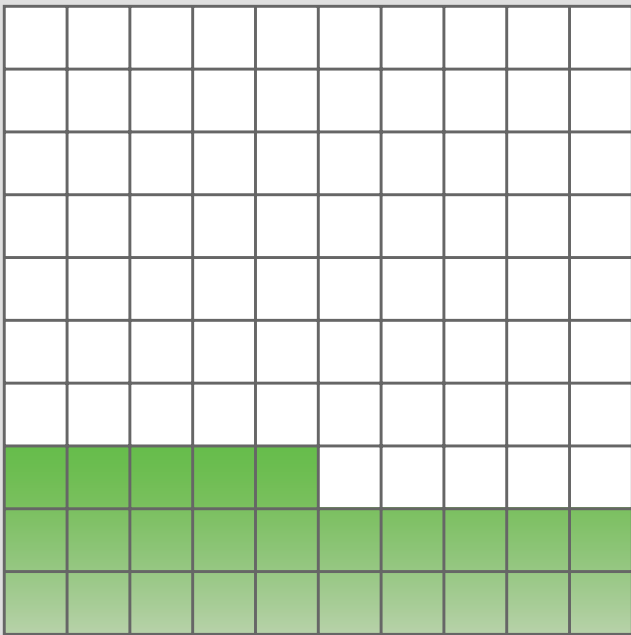
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“ABM is a good strategy but there needs to be more focus on getting Sales and Marketing staff up to speed on it so they can use it together while accomplishing their other daily tasks.”

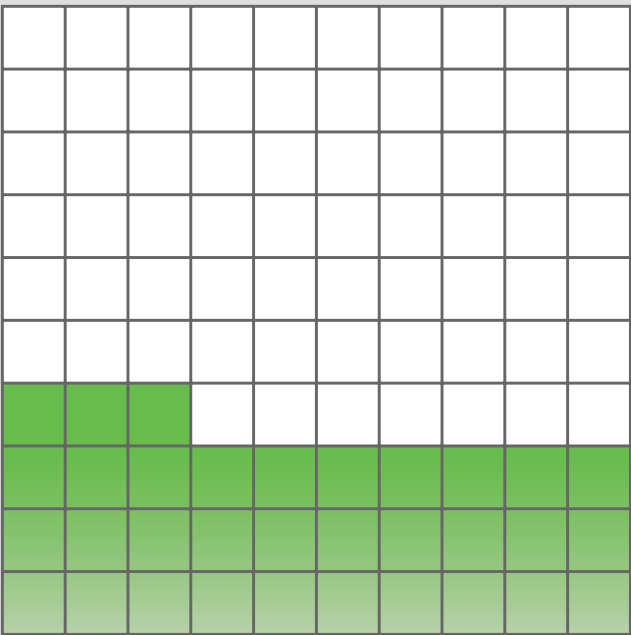
- Survey Respondent



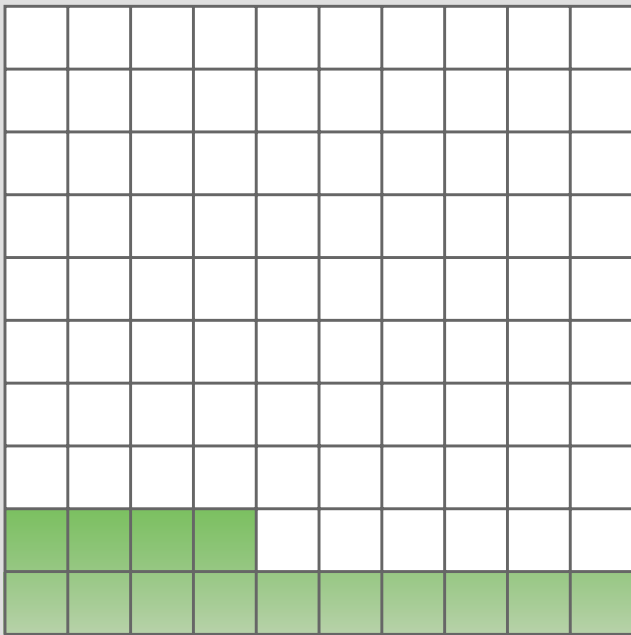
Since executing ABM, have you noticed an improvement in relationships with customers?



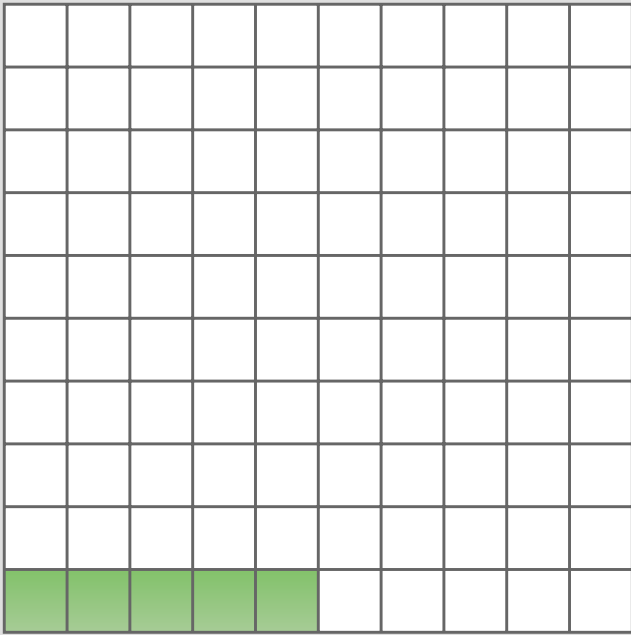
25%
There has been a significant improvement in relationships with customers



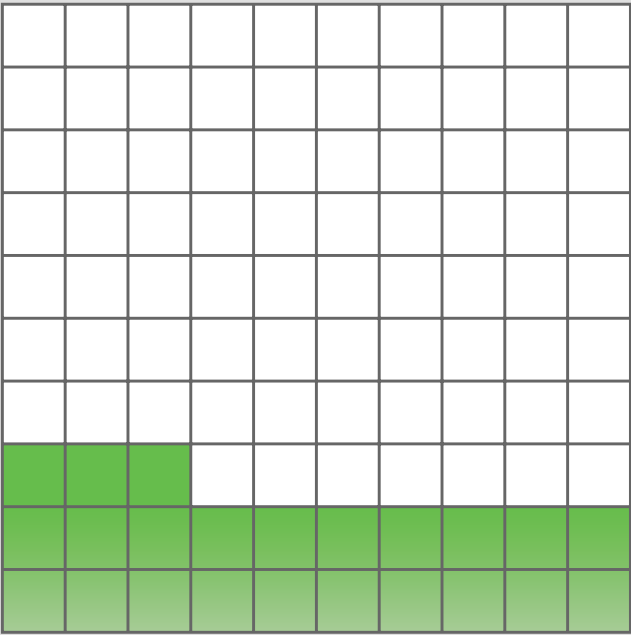
33%
There has been a moderate improvement in relationships with customers



14%
There has been no improvement in relationships with customers



5%
There has been a deterioration in relationships with customers



23%
Unsure

Only 25% of marketers have seen a significant improvement in their relationships with their customers. We encourage marketers to think of how they can apply ABM principles across the full spectrum of the customer journey, resulting in an improved customer experience or commonly referred to as the “Account-based Experience” or “ABX”.



Do you use an ABM technology platform?

72% – Yes

28% – No

Almost three quarters of respondents are using an ABM platform. An organization's ABM maturity will influence whether they use an ABM platform. To execute ABM programs effectively, marketers need to understand three things:

1. Fit

An exercise in comparing your ICP with accounts in the marketing database to determine ABM campaign qualification.

2. Intent

Insight into account-level behavioral activities that show purchase intent, which is provided through an ABM platform.

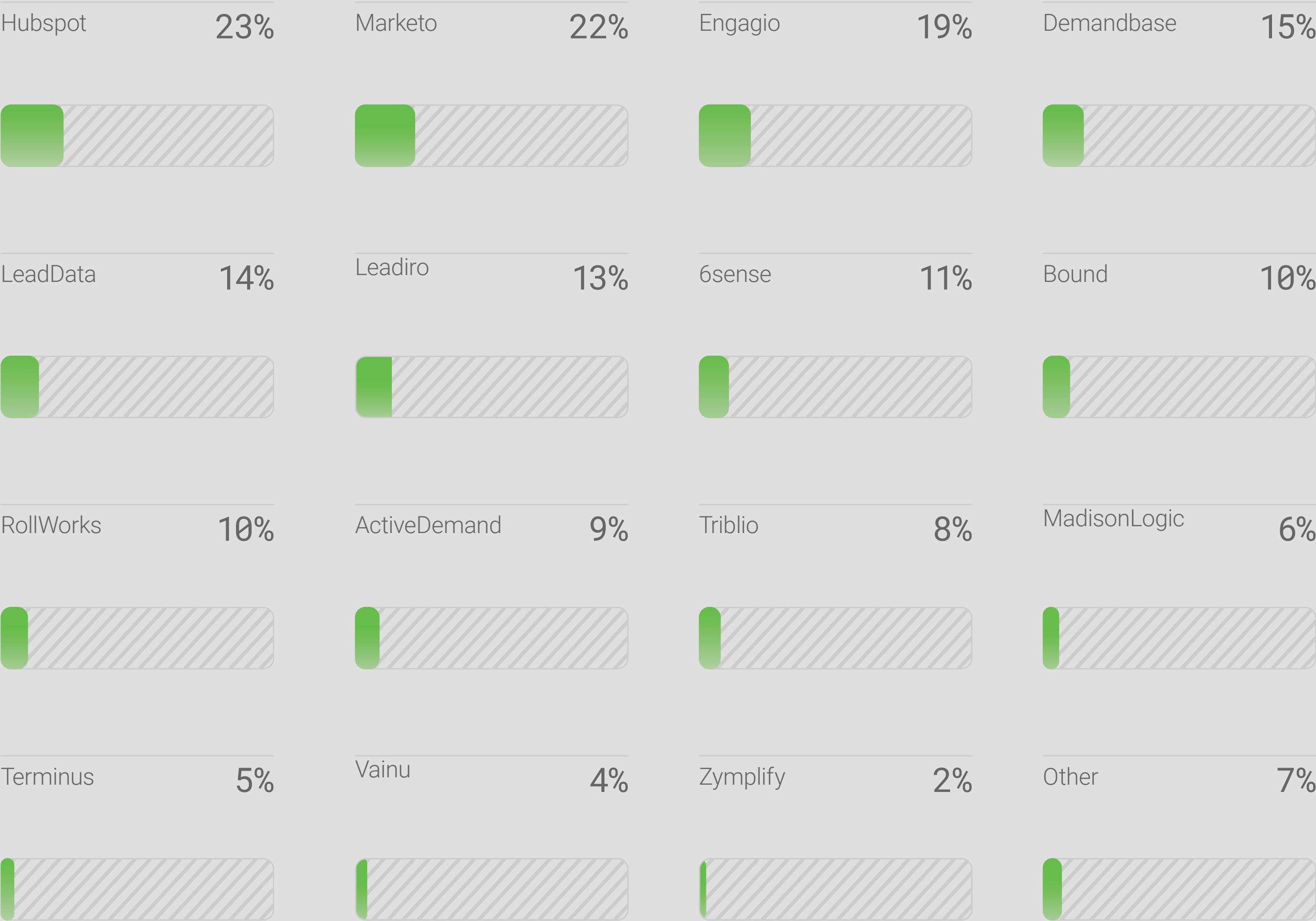
3. Engagement

Monitoring and scoring engagement levels of key roles within a buying group, executed through a MAP.

Organizations starting their ABM journey will use the tools they have, which is usually a MAP. Those with more maturity understand what they're missing and will invest in an ABM platform.



If yes, please select the platform you use:



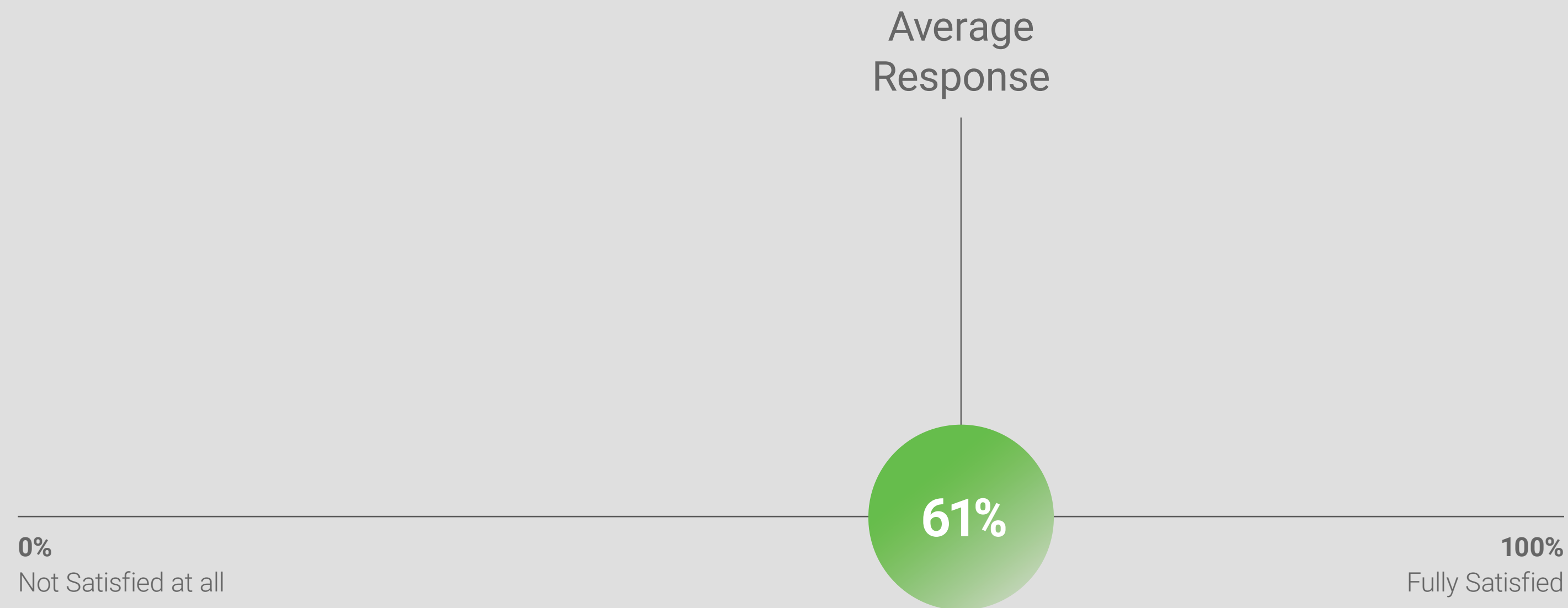
The most commonly used ABM platform is Hubspot (23%), followed by Marketo (22%). While we see ABM platforms like DemandBase, 6sense, and Terminus lagging behind Marketo and Hubspot today, we predict wider adoption of these platforms in the years to come as marketers begin to increasingly leverage intent data and incorporate AI into their marketing strategies.

There can be many benefits to implementing ABM software – from personalization to measurement capabilities. However, as a very wise survey respondent shared, ***“ABM is less a platform and more a strategy.”*** At Demand Spring, we are strong advocates of technology being an enablement to strategy. This holds true for ABM and ABM platforms.

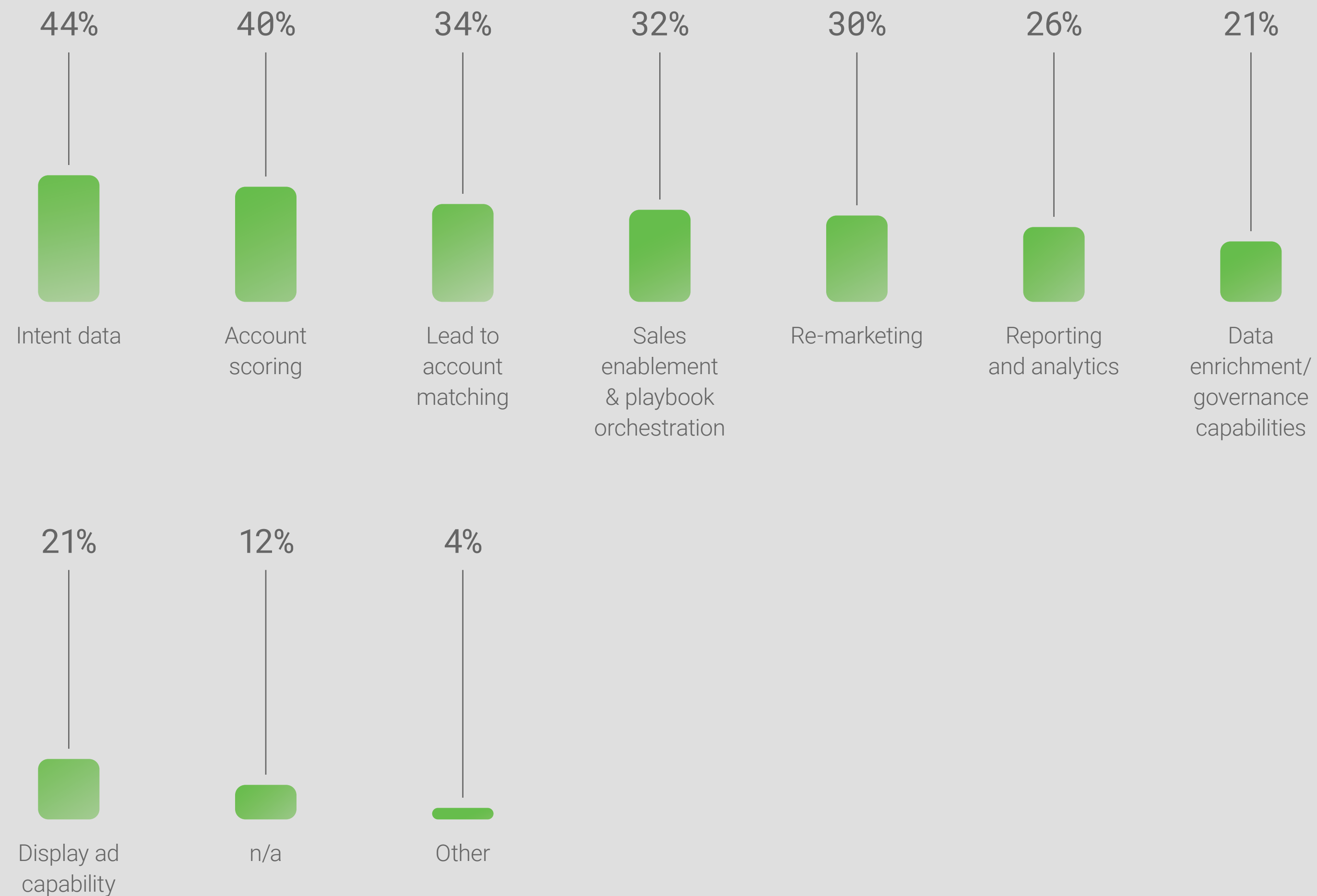


What is your satisfaction level with the ABM platform you are currently using?

Overall, marketers surveyed are moderately satisfied with their ABM platforms. ABM platforms are relatively new, with the majority emerging in the last decade. There is plenty of opportunity for these technologies to improve their capabilities and features and consequently, user satisfaction.



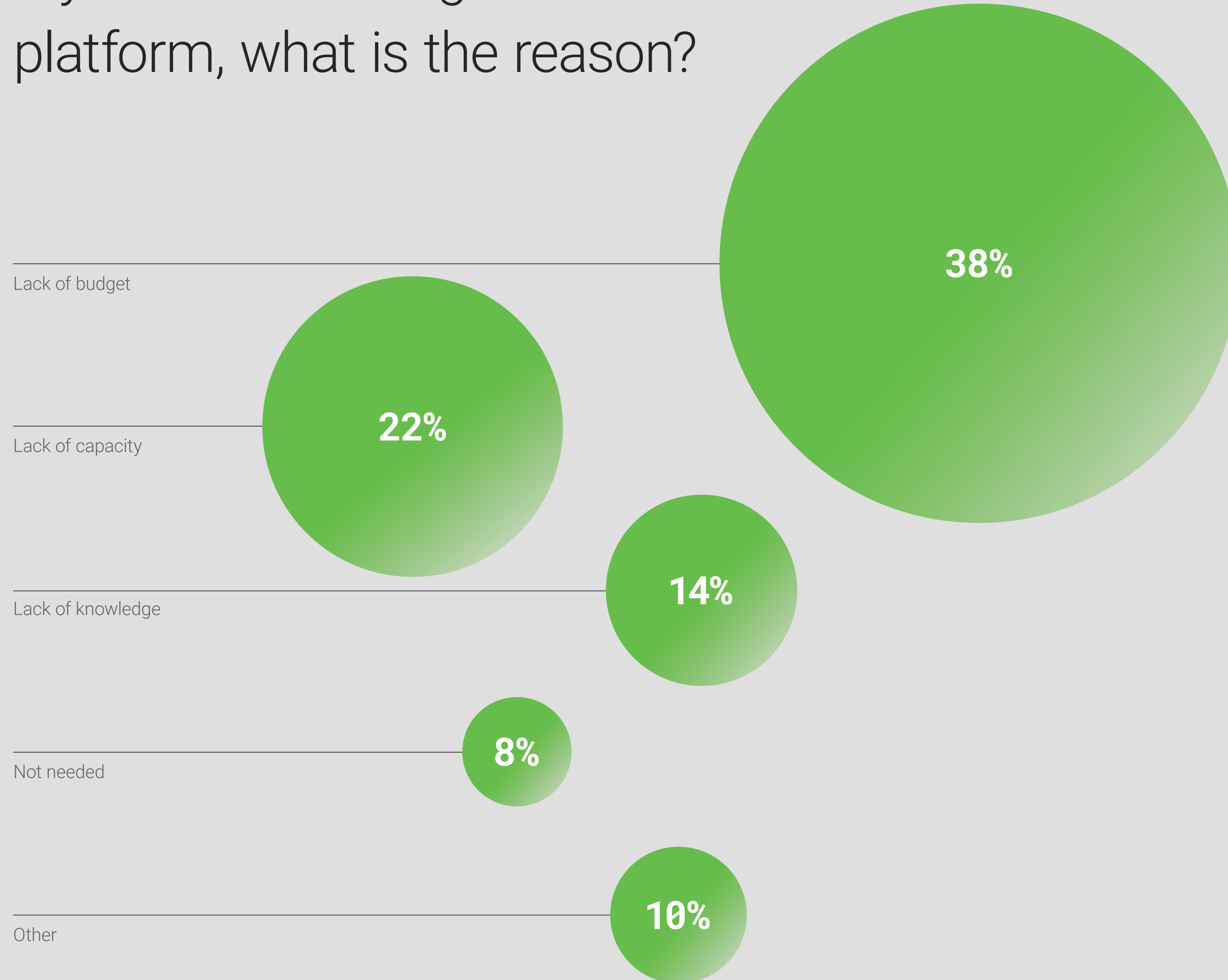
What are the features you find most useful in the ABM platforms you use?



When it comes to ABM platforms, marketers find intent data and account scoring to be the most useful features. These features are essential during the planning stage of ABM programs, and the data gleaned will help inform the overall strategy.



If you are not using an ABM platform, what is the reason?

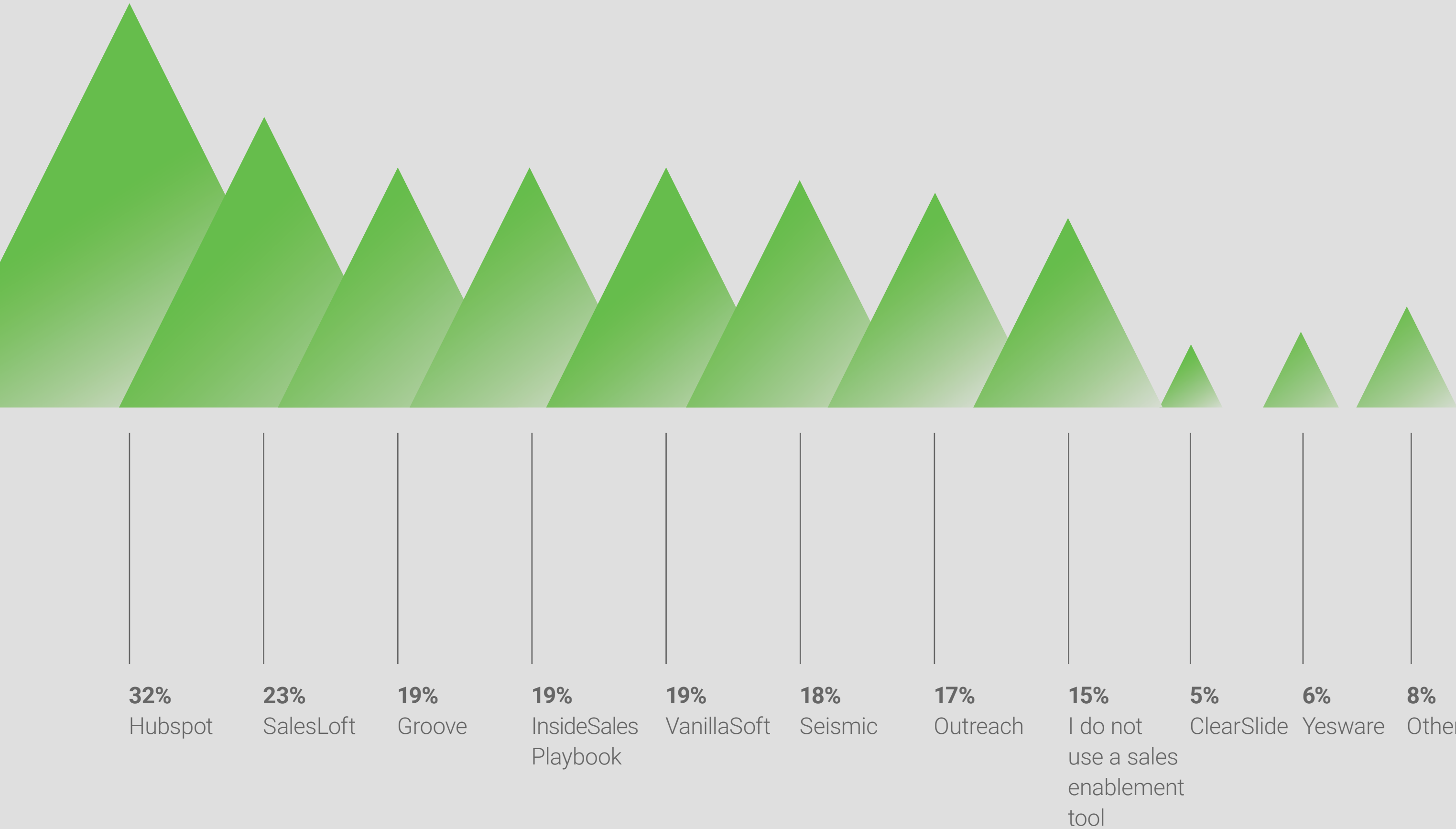


Of the 27% of marketers who are not using an ABM platform, lack of budget is the main reason cited. There could be a number of contributing factors for this, including the current state of the economy affecting marketers' willingness to purchase new technologies, as well as marketers' inability to report on revenue generated from their ABM efforts and ROI.



Do you use a sales enablement platform?

If yes, which platform do you use?

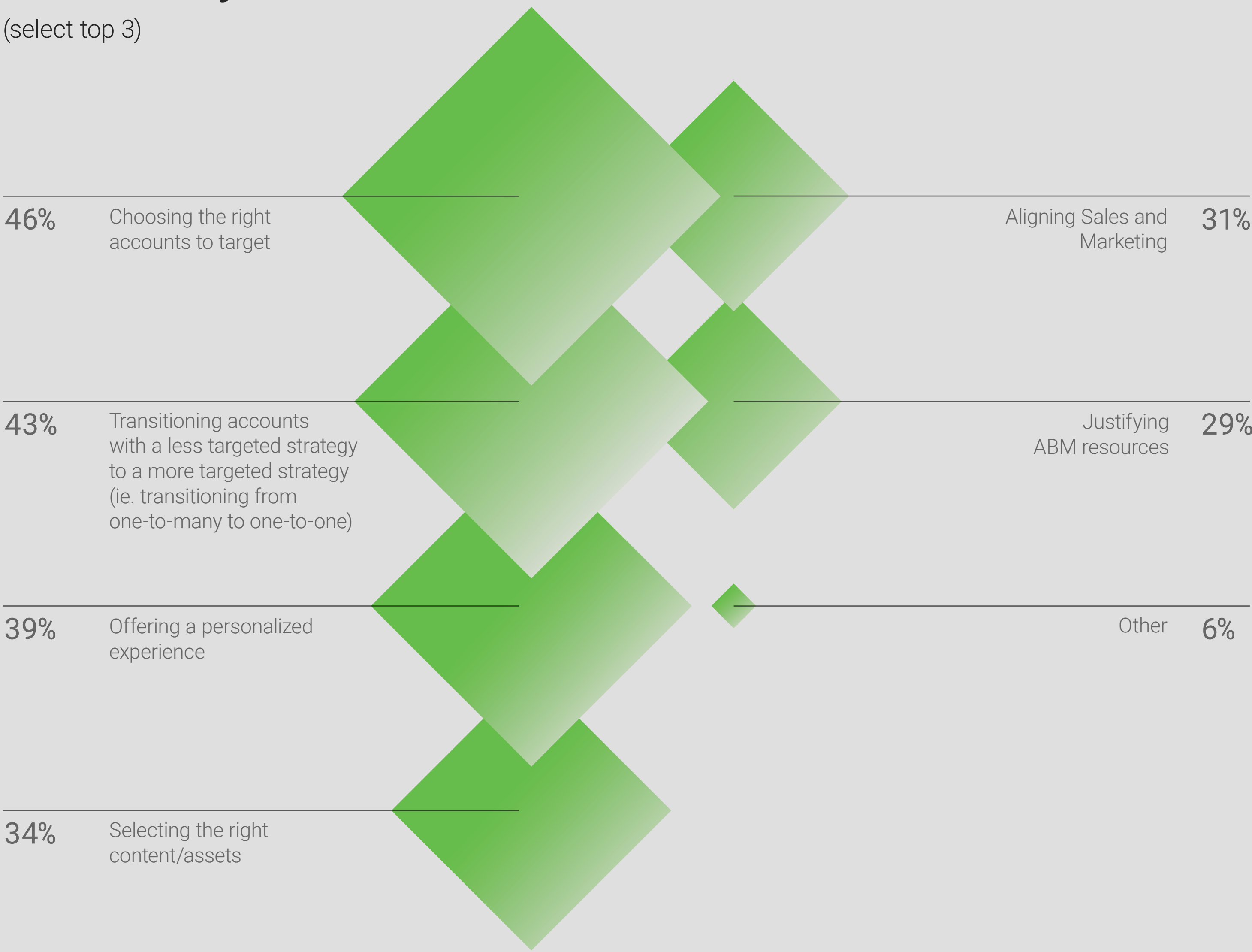


Eighty-five percent of marketers’ surveyed are using a sales enablement platform (SEP), with the most popular being Hubspot. We have seen a huge surge in SEP usage in the last 5 years, largely fuelled by the overall improvement of marketing and sales alignment, and the prioritization of sales enablement.



What challenges have you faced in your ABM efforts?

(select top 3)



The top challenge identified by marketers with their ABM efforts was choosing the right target accounts. We see this time and again with our clients where the sales team wants to target the “big whale” accounts, which oftentimes are the largest companies in their territories. The proper evaluation of accounts based on “Fit, Intent, or Engagement”, the fundamental pillars of effective ABM execution, is skipped. Sales and marketing teams are ignoring the ICP in many cases and jumping opportunistically toward fortune 100 lists.

Two other challenges survey respondents faced with their ABM programs were delivering a personalized experience (39%) and selecting the right content and assets (34%). To overcome these challenges, marketers need to have an understanding of their buyers and their journey in order to select contextual and relevant content to deliver that personalized experience.



Conclusion

As marketers evolve their ABM strategies over time and become more sophisticated through their use of ABM platforms and the CX they deliver, our research has highlighted the need to focus on five key areas:

1. Marketing and sales need to be aligned and working in a coordinated effort throughout the ABM campaign:

The sales team plays a critical role in identifying key target accounts and providing the marketing team with insights to leverage throughout the campaign. It is important for the sales team to stay engaged throughout the campaign.

2. Account selection and prioritization will set the precedent of ABM success:

Marketing and sales teams should avoid the pull of going after the biggest accounts and be deliberate about targeting accounts that coincide with their winning ICP. If selection and prioritization isn't deliberately considered, revenue-based outcomes won't occur.

3. Understand the buyer and buyer's journey:

In order to select relevant and timely content needed to deliver that hyper-personalized experience, it is critical to have a deep understanding of the buyers and their journey.

4. Revenue and ROI must be measured:

Marketers have the tools and expertise to report on the revenue results of their ABM campaigns. An inability to report on revenue will result in the loss of marketing budget to run future campaigns, and more importantly, impact marketing's reputation as a revenue generating function.

5. Technology as an enablement of strategy:

Marketers need to ensure they have an ABM strategy informed by data, centered around attainable target accounts. Failing to develop this strategy even with the top of the line ABM platform will not yield results.



We hope that this report has provided you with insights to apply to your future ABM efforts.

Thank you to all those who contributed to our survey. Without your participation, this report would not be possible.

For more information about our findings, or to discuss your current ABM initiatives, please contact info@demandspring.com.

ABOUT DEMAND SPRING

Demand Spring is a Revenue Marketing consultancy that helps marketing organizations stand taller. Our team of Revenue Marketing Strategists, and Marketing Technologists help our clients transform their marketing practices, deliver exceptional customer experiences, and drive revenue.

